

~~TIME APPEARED
ON PAGES~~WASHINGTON POST
16 January 1987

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Brunei Denies Intending to Aid Contras

The sultan of Brunei says the State Department lied when it claimed he had donated \$10 million to aid the Nicaraguan contras, according to sources speaking for the Southeast Asian ruler.

State Department officials insist that a "third country's" money was intended for "the Nicaraguan resistance." But they maintain that Brunei has never been officially identified as the country that was importuned to help with U.S. efforts in Central America.

In numerous published reports, however, Foggy Bottom officials have said that Hassanal Bolkiah, sultan of the tiny, oil-rich country, was told that any donation he made would go for nonmilitary aid to the contras. But Bruneian officials told us emphatically that the U.S. request was for humanitarian aid to the needy of Central America.

If the sultan had known that the \$10 million was to be used to help the anti-Sandinista rebels, he would not have given the money, the Bruneian officials told us. Though he is a dedicated anticommunist, the sultan does not wish to prolong the fighting between the leftist regime in Managua and the contras supported by the Reagan administration.

Dale Van Atta flew to Brunei last month to check into the donation, which has figured in the uproar over secret funding of the contras at a time when Congress had forbidden any official U.S. aid. The press-shy ruler was indisposed and unavailable for a personal interview, but he met with his top officials to prepare a statement for us to explain his role in the burgeoning scandal.

The carefully worded statement, amplified by Bruneian officials on a background basis, made clear that the sultan and his advisers feel they were "stung" by U.S. officials and resent their innocent involvement in the Reagan administration scandal.

The statement said: "His Majesty the Sultan and Yang DiPertuan of Brunei Darussalam [Brunei, Abode of Peace] said that he had made a personal donation to the United States to be used for humanitarian purposes in Central America."

According to a secret report of the Senate Select Committee on Intelligence, the sultan was asked to put \$10 million in a secret Swiss bank account controlled by Lt. Col. Oliver L. North. North was fired from his National Security Council post after it was discovered that profits from the sale of U.S. arms to Iran may have been diverted to the contras through a Swiss bank account.

The sultan's aides confirmed that he did donate \$10 million. But they insisted that the sultan had no idea the money was going to the contras.

"The donation was made at the request of the United States secretary of state, Mr. George Shultz, in the summer of 1986," the Bruneian statement said. Shultz, who has denied that he personally asked for the donation, met with the sultan for 45 minutes in the course of a two-hour visit to Brunei last June 24.

"It was his majesty's understanding from the personal representative of Mr. Shultz that the donation would be devoted to welfare purposes, and his majesty assumed that it had been so applied," the statement said. "Once the money had been paid it was beyond his control."